Retail Operations Module

II

Final Report

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1 Background.

The Fleet approved of the ROM II software program in FY 2000 and the ships store program proceeded with installations of this system. At the end of CY 2000, there were 28 ships with ROM II with a projected total for the FY to be around 96 ships. ROM II software is based on ACCESS 97/w Visual Basic and was developed as a data based software engine to allow the easy modification to and addition to by future software enhancements. ROM II, with current enhancements, provides for scanning at cash register, breakout processes, and for smart reorders.

2 Ship Store Operations Afloat under ROM I

The Ship's Store, operated by the S-3 division of the Supply Department, provides retail services to the crew. ROM I, which has been in the fleet since 1986, provides an electronic means of completing ship's store records, however does little for retail management of inventory and prices. ROM I requires the completion of numerous manual forms and manual reconciliation of inventories. ROM I also requires two teams of two personnel to complete inventories of both the ship's store and bulk storeroom.

3 Ship's Store Operations Afloat under ROM II

ROM II has automated many processes throughout the ship's store operations. ROM II provides for a perpetual inventory, has numerous management reports and allows for increased flexibility in inventory price changes.

3.1 The following benefits have been achieved by incorporating ROM II into the fleet:

(1) Time saved conducting and reconciling inventories
- No pre-lists
- Use of PDT's
- Speed of Discrepancy Reports
- Use of UPC's

(2) No individual pricing of items
- Operators do not need to know prices
- Manual retail price change procedures are eliminated
- Emphasis on QA vs tedious pricing

(3) Enhanced Inventory Management Reports
- Perpetual Inventory available at any time
- Enhanced inventory control using SKU's and UPC's
- Stock turn more detailed
- Report of Top sellers
- Report of low stock
- Report of gross profits generated
- Detailed account of loss/gains (no longer a which hunt)

(4) All transactions are confirmed and final

- Reduced paperwork
- Less changes to Returns
- Always correct transactions "moving forward" not "backwards"

(5) Expandable "Windows" Environment

- Greater form creation and report generation capabilities
- Numerous use of print screen previews prior to actual print, less paper waste
- Universal program language, future changes possible with minimal effort

3.3   ROM II Fleet Roll out:

NEXCOM is in the process of a fleet wide implementation of ROM II. To date 35 ships within the Atlantic Fleet and 37 ships within the Pacific Fleet have completed installation and are operating under ROM II. NEXCOM is proceeding with the fleet implementation at a rate of 4 ships per fleet per month and is anticipating completion of all installations and training by the end of fiscal year 2002.

4   Data Collection and Analyses

Baseline data for this analysis was provided by the USS AUSTIN (LPD 4) while they were operating ROM I. Upon completion of the ROM II installation data was collected based on the new processes and procedures ROM II automated. Enclosure (1) presents graphic presentations of metrics collected.

4.1   Accounting Reports. USS AUSTIN reported a 1.5 manhours savings for the Sales Officer's review of Navsup Form 464 utilizing ROM II.

4.2   Inventory Management. Inventory management proved to be the most significant process affected by the improvements of ROM II. Managing an inventory of 250 to 300 line items retail operation, USS AUSTIN reported a total of 6.4 manhours saved in inventory management.   The most significant manhours savings was due to the elimination of the requirement for inventory prelists, two man/two team inventory rules and ROM II ability to electronically scan inventory vice data entry procedures in ROM I.

4.3   Breakout/Breakback operations. Austin reported during a typical breakout of 30 line items from the bulk storeroom that a total of .75 manhours were saved using ROM II versus ROM I. This savings was generated by ROM IIs ability to generate ship's store operator requirements listing and the reconciliation of discrepancies between breakouts and receipts.

4.4   Receipt Processing. For a typical purchase order of approximately 16 items Austin reported little time savings using ROM II. However, for the monthly reconciliation of unmatched expenditure listings, ROM II reported saved one manhour.

4.5   Procurement. Austin reported no time savings between ROM I and ROM II in the weekly review of Master Stock Records (MSRs) to determine reorder quantities, completion of requisition or purchase logs or completing various DD forms.

4.6   Daily Operations. Daily operations placed second in the most significant process affected by the improvements with ROM II. ROM II eliminates the requirement to place prices on each item of merchandise, therefore improving the processes of making retail price changes (Navsup form 983) and the repricing of merchandise within the ship's store. Austin reported 1.1 manhours saved on a daily basis utilizing ROM II over ROM I in the daily operation of the store.

5 Findings and Recommendations. SHCS(SW) James W. Hall, LCPO, S-3
Division onboard USS AUSTIN (LPD 4) summarized the benefits of ROM II as follows:

"In summary, the most time saved is realized during the inventory process, and the retail price change process. The real benefit of the system is not so much time saved, but the quality of the information retrieved. To mention a few:
- no prelisting of inventories.
- two teams no longer required for inventory.
- inventory shortage/overage listed by item rather than total value.
- ability to utilize the PDT for breakouts as well as inventory
- real time 153 and accounting data. Accurate gross profit info.
- extremely easy and accurate retail price changes
- cost based unit accounting"

Enclosure (1) graphically demonstrates the manhours expended onboard USS AUSTIN utilizing the ROM I system initially installed and under the ROM II system that has recently been installed onboard. As of the writing of this report Austin has only had the ROM II system onboard for approximately one month. Through additional experience and training with the ROM II system, it is believed that Austin will gain greater efficiencies and thus manhour savings.

USS AUSTIN (LPD 4)
ROM I vs ROM II